

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



October 8, 1997

ALL COUNTY INFORMATION NOTICE NO. I-63-97

TO: ALL COUNTY WELFARE DIRECTORS

REASON FOR THIS TRANSMITTAL

- ☐ State Law Change
- ☐ Federal Law or Regulation Change
- ☐ Court Order or Settlement Agreement
- ☐ Clarification Requested by One or More Counties
- ☒ Initiated by CDSS

SUBJECT: FEDERAL AND STATE MINIMUM WAGE INCREASES

This All-County Information Notice is to inform you of the federal and state minimum wage increases during the fiscal years (FY) 1996/97 and 1997/98:

- On October 1, 1996, the federal government increased the minimum wage to \$4.75 per hour.
- On March 1, 1997, state law increased the minimum wage to \$5.00 per hour.
- Effective September 1, 1997, the federal government will increase the minimum wage to \$5.15 per hour.
- Effective March 1, 1998, state law will increase the minimum wage to \$5.75 per hour.

The funds to cover the minimum wage increases have been approved in the State budget for FYs 1996/97 and 1997/98.

Counties will be responsible for assuring implementation of the minimum wage changes for the In-Home Supportive Services (IHSS) Program. The Department will automate the wage increases for IHSS Individual Providers (IP) through the Case Management, Information and Payrolling System (CMIPS).

CONTRACTS/HOMEMAKER MODES OF DELIVERY

Statutory Benefit Level Increases

Recipients in service delivery modes other than Individual Provider (IP) will be limited to the statutory maximum number of service hours per month of 195 for non-severely impaired (NSI) and 283 for severely impaired (SI). Those hours multiplied by the individual contractor's wage scale rate per hour, then divided by the hourly cost of the mode of delivery. For the September 1, 1997 increase the hours are:

IHSS residual NSI 195 hours x \$5.15 = \$1,004.25 ÷ hourly cost of the delivery mode.

IHSS residual SI 283 hours x \$5.15 = \$1,457.45 ÷ hourly cost of the delivery mode.

Personal Care Service Program (PCSP) is based on the maximum of 283 for the Individual Provider delivery mode.

Contracts

Effective September 1, 1997, a contract amendment will not be required for existing contracts that have a wage Individual Provider scale with an entry level at or above the new minimum wage of \$5.15 per hour.

Existing contracts, as of September 1, 1997, that have a wage scale with an entry level that is below the minimum wage and that provide a wage scale with one or more steps below the new minimum wage, may require an amendment initiated by the contractor to reflect a new wage scale effective September, 1997. This change includes amending existing contracts for any wages below \$5.15 per hour. The proposed contract amendment must incorporate the new wage scale, line item budget and budget narrative, which clearly display the calculations justifying the cost impact i.e., composite wage rate. Funds will not be provided to avoid the compaction of wage steps at or above \$5.15 per hour.

Contract extensions being negotiated for an additional year that provide wages with one or more steps below the new minimum wage will require an adjustment to reflect the new wage scale effective September 1, 1997. The same rules as outlined above will apply.

Contract renewals being negotiated for an additional year effective September 1, 1997, that provide a wage scale with an entry level which is already at or above the new minimum wage (\$5.15 per hour) will not be affected by this change. A contract amendment will not be required.

CMIPS

As you are aware the CMIPS has been modified to implement the minimum wage increases. The following additional information is provided to the counties to assist in the implementation of the minimum wage increases.

Individual Provider Wages

All IP wages will be increased in accordance with the aforementioned schedule for the wage increases except for counties who pay more than the minimum wage. San Francisco County will not have a wage increase.

A notice appeared on all IP timesheets printed during a three month period beginning August 22, 1997. The notice indicated that the minimum wage has increased to \$5.15 per hour effective September, 1997.

Contract Counties

Some contract-only or mixed mode cases with an unmet need will have their services automatically changed to reflect the correct adjustments of services authorized to be purchased. An automated Notice of Action (NOA) will be sent to the recipient with message number 382 or 383.

o 382 Your unmet need for IHSS is decreased because the state payment maximum has been increased to \$_____. Your unmet need is now _____ services hours. MPP 30-765

o 383 You no longer have an unmet need for IHSS because the increased state payment maximum of \$_____ will cover the cost of your authorized need for service. MPP 30-765

Share of Cost (SOC)

Recipients with a SOC will have new segments added that will reflect no change to the SOC date. Counties may refer to their Monthly Share of Cost Report for Arrears Payments to determine which cases will need a manual change to the SOC date.

Turnaround Documents

Unlike previous minimum wage increases, printing of turnaround documents (TAD) will be suppressed. The information regarding the wage increase and the new dollar amounts associated with authorizations will show on the RELB and PELG screens and will print when the next TAD is printed. Counties desiring TADs which reflect the wage increase can print the TAD manually. This will continue to occur for the forthcoming minimum wage increases.

Reports

The listings and reports shown below were generated to provide information on those cases that required some type of review or correction by the county because they were either potential exceptions that were converted or a case that could not be converted. This will continue with future minimum wage increases.

Alert Reports

- The counties will receive an alert report where there was no change to the county's default minimum wage rate.
- If the rate on the case is found to be above minimum wage, the alert listing will be updated and a separate report provided.
- Recipient cases with overdue assessments, including those cases excepted from the October 1, 1996, minimum wage increase, were converted and given a new end date of March 31, 1997. An alert report displaying all the cases that were overdue with the March 1, 1997, conversion was sent to the counties.
- The alert listing of recipient cases with a mid-month ending date that are not overdue assessments will be updated, and a separate report provided.
- The counties received an alert report for those providers in eligible status with a current segment end-date between February 21 and March 1, 1997, which were extended to March 31, 1997, for the minimum wage conversion.
- On the alert report for recipients with a reduction in unmet need, have multiple providers or non-one-to-one single providers, only the provider rates (not the hours) will be changed. Counties must manually redistribute the increased recipient hours among the providers.

Exception Reports

- A separate Exception Report will list the recipient cases excepted because there is no ending date in the current eligibility segment entered on CMIPS.

Overdue Assessments


In May 1997, an overdue assessment report was sent to counties identifying those cases which had their assessment due date extended to accommodate previous minimum wage increases. Those cases which were previously extended and no new reassessment was entered into CMIPS, will not be extended again for subsequent minimum wage increases. These cases will be identified in a separate exception report.

Cases which have not previously had their assessment due date automatically extended by the CMIPS, and which have a current assessment due date of August 31, 1997, or earlier, had their assessment due date automatically extended to September 30, 1997. A listing of these cases which have not had the required annual reassessment by December 31, 1997, will be sent to counties.

Notice of Action Printing

All NOAs will be printed at the county sites and mailed by the county to the recipients. The only NOA printing exceptions are for those counties for whom EDS normally prints and mails NOAs.

Questions regarding program issues should be addressed to Marie August at (916) 229-4592. Questions regarding CMIPS procedures should be addressed to Craig Tanaka at (916) 229-4017.



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Disability and Adult Programs Division